

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Transport Department – APSRTC – Issue of Government guarantee for borrowing Rs.400.00 crores in two spells of Rs.200.00 crores each from Nationalised Banks on competitive rates – Servicing of the loan by Govt. – Orders – Issued.

TRANSPORT, ROADS AND BUILDINGS (TR.II) DEPARTMENT

G.O.Ms.No. 80

Dated: 24-05-2010

Read the following:

1. From the VC & MD, APSRTC Lr.No.B&F/F2/409(1)/2010-11-FD, dated 22-4-2010.
2. From the VC & MD, APSRTC Lr.No.B&F/F2/181(6)/2010-11, dated 18-5-2010.

O R D E R:

The Andhra Pradesh State Road Transport Corporation (APSRTC) has been extending concessional travel facilities to different categories of people from time to time based on the instructions issued by the State Government. Government have decided during the year 2005-06 to reimburse 100% of the expenditure incurred by APSRTC in providing concessional travel facilities as above based on the instructions issued from time to time.

2. The Vice-Chairman and Managing Director, APSRTC in his letter 1st read above has represented that the balance amount receivable from the Government for the year 2008-09, 2009-10 towards bus pass reimbursement etc., along with the estimation for the year 2010-11 works out to a tune of Rs.613.93 crores as provisional receivables. Government have provided an amount of Rs.154.76 crores only in the Budget of 2010-11 towards reimbursement of various concessions and servicing of Government guaranteed loans.

3. The Vice-Chairman and Managing Director, APSRTC has represented that the Corporation has to pay arrears of revision of pay scales 2009 to the employees in two spells i.e., in May, 2010 and December, 2010 to a tune of Rs.450.00 crores and therefore requested the Government either for release of the money or to permit them to avail loan from commercial banks with Government guarantee including servicing of the loan.

4. Government after careful consideration of the matter hereby agree to issue Government Guarantee including servicing of the proposed loan of Rs.400.00 crores to be borrowed by APSRTC in two spells of Rs.200.00 crores each, as per necessity, on competitive market rates of interest, [duly servicing of the loan by the State Government], which will be adjusted against the dues to be paid to APSRTC on concessional bus passes upto the year 2010-11, pending reconciliation of amount payable by Government.

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5. After careful consideration of the matter, Government hereby approve the proposal of borrowing of an amount of Rs.200.00 crores in first phase from the Bank of India, Azamabad Br., Hyderabad, on Government guarantee at interest rate of 8.25% per annum and payable in 5 years at half yearly instalments. APSRTC is exempted from payment of guarantee commission for above loan.

6. The Vice-Chairman and Managing Director, APSRTC, shall take necessary further action accordingly.

7. This order issues with the concurrence of Finance (Expr.PWD) Department – vide their U.O.No. 013815-C/393/A2/Expr. PWD/10, Dated 24-05-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S. P. SINGH
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice-Chairman and Managing Director, APSRTC, Bus Bhavan,
Musheerabad, RTC 'X' Roads, Hyderabad.
The Bank of India, Azamabad Branch, Hyderabad.

Copy to:

Finance (Expr.PWD) Department.
The Special Secretary to C.M.
PS to Minister (Transport)
SF/SCs

// FORWARDED :: BY ORDER //

SECTION OFFICER